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**Jan I. Goldsmith**  
CITY ATTORNEY

January 19, 2011

REPORT TO THE BUDGET COMMITTEE

CITY GOLF COURSES: SALE OF CITY-OWNED GOLF COURSES OR OUTSOURCING  
OF CITY-MANAGED GOLF COURSES

**INTRODUCTION**

The City owns numerous golf courses, three operated by City staff and eight that are leased to private operators. The Committee has asked this Office to analyze whether city-owned golf courses may be sold or the management of the City-managed golf courses outsourced. There are several legal requirements that must be met before either course of action could occur.

Some of the golf courses are on dedicated parkland and some of the courses are also on Pueblo Lands, in which case the requirements of San Diego Charter sections 55 and 219 must be followed. In addition, the terms of each lease with a private operator must be evaluated separately. Any changes to the employment status of City employees or the outsourcing of City services must occur in compliance with Charter section 117, the Meyers-Miliias-Brown Act, and the City's Civil Service Rules.

**DISCUSSION**

The City owns and operates three golf courses: Torrey Pines (North and South), Mission Bay Golf Course, and Balboa Golf Course. These three courses are on parkland that has been dedicated by ordinance of the City Council for that purpose. In addition, the Torrey Pines and Mission Bay Golf Courses are located on Pueblo Lands. The City also owns other golf facilities that are currently leased to private operators: Carlton Oaks (Santee), Fairbanks Ranch Country Club (San Diego), Mission Trails (San Diego), Pro Kids Golf Academy (San Diego), Presidio Hills (San Diego), Tecolote Canyon (San Diego), and Vineyard (Escondido). Some of these are also on dedicated parkland. The terms of each lease would need to be evaluated separately and are not analyzed herein.

Pursuant to the Charter Section 55, the use of dedicated parkland is restricted to park and recreational uses:

All real property owned in fee by the City heretofore or hereafter formally dedicated in perpetuity by ordinance of the Council or by statute of the State Legislature for park, recreation or cemetery purposes shall not be used for any but park, recreation or cemetery purposes without such changed use or purpose having been first authorized or later ratified by a vote of two-thirds of the qualified electors of the City voting at an election for such purpose.

San Diego Charter § 55.

Therefore, any golf course property that is also dedicated parkland must receive a vote of two-thirds of the qualified electorate before the land could be used for any purpose other than park, recreational, or cemetery purposes.

In addition to being on dedicated parkland, the Mission Bay and Torrey Pines Golf Courses are on Pueblo Lands. Pueblo Lands may not be sold unless a City Council ordinance has been ratified by the electorate, nor may any Pueblo Lands be leased in excess of fifteen years without a vote. San Diego Charter § 219.

Should the sale of the golf courses result in reduction of the City work force or other changes to status of City employees, the City must comply with applicable Civil Service Rules, Personnel Regulations, and provisions of existing memoranda of understanding with the City's represented employee organizations. This Office has previously provided guidance on the legal issues regarding outsourcing the work of City employees. *See* Op. City Att'y 2009-2 (Oct. 8, 2009). Any proposal should be reviewed to ensure compliance with the San Diego Charter and the Meyers-Milias-Brown Act. If the City Council develops a proposal, this Office is happy to provide additional analysis on these issues.

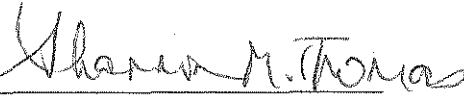
There are also some practical considerations that this Office would like to bring to the Committee's attention. Portions of the North Course of the Torrey Pines Golf Course were pledged as collateral for Certificates of Participation in 1996; this obligation was scheduled to be terminated in Fiscal Year 2009. City of San Diego Fiscal Year 2009 Budget, Summary of Debt Obligations, at 93 n.l. This Office recommends that the Committee confirm that this obligation has been satisfied prior to proceeding with any efforts to sell the Torrey Pines North Course.

In addition, the use of the proceeds from any sale of City-owned real property is limited. All proceeds received from the sale of city-owned real property must be placed in the Capital Outlay Fund. San Diego Charter § 77. This fund "shall be used exclusively for the acquisition, construction and completion of permanent public improvements, including public buildings and such initial furnishings, equipment, supplies, inventory and stock as will establish the public improvements as a going concern." *Id.*

**CONCLUSION**

The City may sell its golf courses; however, the sale of several of the courses must receive voter approval, and in some cases, golf courses are currently leased to a private operator. The changes in the employment status of the City employees and any outsourcing of those services must proceed in accordance with the San Diego Charter and state employment law. Finally, the proceeds from the sale of City-owned land can only be used for the acquisition, construction, and completion of permanent public improvements.

JAN I. GOLDSMITH, City Attorney

By   
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Deputy City Attorney

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RC-2011-3

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March 1, 2011

REPORT TO THE BUDGET COMMITTEE

ABILITY TO GENERATE ADDITIONAL REVENUE TO THE CITY'S GENERAL FUND  
FROM THE CITY-OPERATED GOLF COURSES

**INTRODUCTION**

At a recent City Council meeting, this Office was asked what ability the City had to generate additional revenue to the City's General Fund from the City-operated golf courses. The ability of the City to sell the City-owned golf courses was the subject of a Report to the Budget Committee dated January 19, 2011, from this Office; therefore, for the purposes of this Report, it is assumed that the City would retain ownership of the golf courses.

**QUESTIONS PRESENTED**

What actions may the City take to generate additional revenue to the City's General Fund from the City-operated golf courses?

**SHORT ANSWERS**

The City may terminate the Golf Enterprise Fund, enter into leases for the operation of the golf courses or for a different use with higher expected revenue, change the City's own use of the property for a different use with a higher revenue, revise the formula used to calculate the rent payment that the Golf Enterprise Fund currently makes to the General Fund, or take action on a combination of these measures.

**BACKGROUND**

The Golf Enterprise Fund was created as part of the Fiscal Year 1992 budget. San Diego Ordinance O-17667 (July 23, 1991). At that time, the General Fund was expending money to support the golf courses, and the creation of the Golf Enterprise Fund was a method to create a self-sustaining endeavor. *See* FY 2006 City Council Referral Regarding the Fiscal Year 2006 Proposed Budget (Referral), Attachment 1.

As the attached Referral notes, the Golf Enterprise Fund pays rent to the General Fund based on a formula established in 1995 by the Financial Management Department. *See* Letter from Bruce Herring to Golf Advisory Council dated May 18, 1995 (Letter), Attachment 2.

## ANALYSIS

### I. TERMINATION OF THE GOLF ENTERPRISE FUND

The Golf Enterprise Fund is a City Council created concept, and the Council can terminate the Golf Enterprise Fund in the same manner as it was created. Unlike water revenue and expenditures, there is no Charter requirement to create and maintain a separate Golf Enterprise Fund. *See* San Diego Charter § 53. The fiscal year 2011 Appropriations Ordinance provided that all Enterprise Funds were “appropriated for the purpose of providing for the operation, maintenance and development of their respective purposes.” San Diego Ordinance O-19976, at 7 (July 26, 2010). An ordinance amending the Appropriations Ordinance may be passed to effectuate the termination. However, if the golf-courses remain City-operated, the fees set for the use of the golf courses must still be based on the cost of providing the service. User fees based on the cost of providing the service are not taxes subject to a vote by the electorate. *Weisblat v. City of San Diego*, 176 Cal. App. 4th 1022, 1038 (2009). Council Policy 100-05 provides guidance on the types of costs that may be included in calculating the cost of providing the service.

### II. LEASE OF CITY PROPERTY

The City may lease its property.<sup>1</sup> San Diego Charter § 1; Cal. Gov. Code §§ 37350, 37380, 37395. This includes the City property currently operated as golf courses. As noted in the earlier Report, however, some of the property is subject to restrictions on type and length of the use, pursuant to other Charter sections. *See* City Att’y Report 2011-3 (Jan. 19, 2011). To summarize here, Charter section 55 requires the property be used for park and recreational purposes and Charter section 219 requires that Pueblo Lands not be leased in excess of 15 years without a vote of the electorate. These specific limitations are interpreted to govern the more general authority granted in Charter section 1. 58 Cal. Jur. 3d *Statutes* § 122 (2004, Supp. 2010).

City leases usually provide for both a minimum rent payment, as well as a percentage rent that varies based on the category of income by the lessee. The City may consider leasing a portion of the golf courses for golf course use or for other uses, taking into account various factors such as demand, current zoning, Charter sections 55 and 219, and other relevant matters.

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<sup>1</sup> The use of a franchise to operate the golf courses has been mentioned. The grant of a franchise is not the appropriate method to contract out the operation of the golf courses. Franchises granted by a government are typically used when an exclusive agreement is entered into for the purpose of providing an inherently governmental service that the government is obligated to provide to its citizens such as water, trash service, electricity, or for the use of its streets. 34A Cal. Jur. 3d *Franchises from Governmental Bodies* § 1 (2008, Supp. 2010). When the City is acting in its proprietary capacity (i.e., as a land owner), rather than its governmental capacity, the grant of a privilege is a license, not a franchise. *Id.* § 2.

### III. CITY USE FOR USES OTHER THAN GOLF COURSES

In lieu of leasing the property to a third party for another use, the City may also consider whether changing its own use of the property would produce more revenue. The same use restrictions would apply as discussed in Section II.

### IV. REVISION OF LEASE PAYMENT FORMULA FROM THE ENTERPRISE FUND TO THE GENERAL FUND

The Golf Enterprise Fund currently pays the General Fund lease payments based on two components: a fixed annual rate of \$1,806 per acre, plus 9.9% of the gross revenue, subject to review every five years.<sup>2</sup> This land use fee formula was established in 1995 by the City's Financial Management Department. *See* Letter at 1. The fixed annual rate component was comparable to the revenue expected under a lease arrangement similar to the one at Mission Trails. *See* Letter at 3. The gross revenue percentage was developed to replace the revenue the General Fund would have received from the operation of the Torrey Pines and Balboa Park Golf Courses as municipal facilities.

This formula could be revisited to determine whether these components and percentages are still appropriate, keeping in mind the requirement that fees that exceed the cost of providing the service will be considered a tax, and are subject to a vote. *Weisblat*, 176 Cal. App. 4th 1022.

This Office cannot represent that any of these actions would actually result in increased revenue to the General Fund, however. There are many factors to be considered such as the fair market value of the property, the ability to attract more play if the land is used as a golf course, and the ability of the market to absorb increased fees. It should be noted that a recent public report on the revenues and expenses of the Golf Enterprise Fund indicates that the Torrey Pines Golf Course currently provides revenue to support the Balboa Golf Course. IBA Report No. 07-91 (Sept. 20, 2007). In addition, the Mission Bay Golf Course, which was previously leased to a private entity for 50 years, was determined to be operating at a breakeven point.<sup>3</sup> *Id.*

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<sup>2</sup> The \$1500 per acre amount set forth in Attachment 1 was revised in the FY11 Budget, pg. 120  
<http://www.sandiego.gov/fm/annual/pdf/fy11/14v2parkandrec.pdf>

<sup>3</sup> At the time the leasehold was returned to City control, it was determined that the property had not been maintained at an acceptable level. City Mgr, Report No. 03-229 (Nov. 13, 2003).

### CONCLUSION

There are various actions the City could consider in regards to increasing revenue to the General Fund from the City-operated golf courses. This Office cannot make any representations regarding the economic feasibility of or projected revenue from the exercise of any of the above options.

JAN I. GOLDSMITH, CITY ATTORNEY

By. Shannon M. Thomas

Shannon M. Thomas  
Deputy City Attorney

SMT:als

RC-2011-12

Attachment:

1. City Council Referral Regarding the Fiscal Year 2006 Proposed Budget
2. Letter from Deputy City Manager, May 18, 1995

**CITY COUNCIL REFERRAL  
REGARDING THE FISCAL YEAR 2006 PROPOSED BUDGET**

**TO:** Honorable Mayor and City Council

**FROM:** P. Lamont Ewell, City Manager

**RESPONDING DEPARTMENT:** Park and Recreation

**ISSUE:** During the City Council meeting of May 23, 2005 regarding the Fiscal Year 2006 Proposed Budget, Councilmember Young requested information on the reason for the projected decline in Golf Course rent to the General Fund below the Fiscal Years 2004 and 2005 levels. In addition, Councilmember Young would like to know what the Council needs to do to adjust the formula that is currently used to charge rent to the golf courses and what the maximum amount of rent is that can be legally charged to the golf courses.

**RESPONSE:** The Golf Enterprise Fund was created as of July 1, 1991. The reasons for its formation were to limit the General Fund's future obligations to support the city golf courses and to allow the courses flexibility to make capital improvements to the extent that revenues and expenses allow. In 1995, the City began charging the Golf Course Enterprise Fund a set rent based on two components. The first component was a fixed annual rate of \$1,500 per acre. This amount was comparable to rent being paid by the Mission Trails Golf Course. The second component was 9.9% of the gross revenues. It was expected that the rent would be reviewed every five years.

"Enterprise" is defined as "a revenue-producing improvement, building, system, plant, work, facilities, or undertaking used for or useful for any of the following purposes: The providing of public golf courses, and facilities and improvements in connection therewith." Ca. Gov. Code § 54309(i). The Council can change the rent paid by the Enterprise Fund through the Appropriations Ordinance or by resolution. However, the Golf Enterprise Fund consists of rents paid by lessees and fees for services paid by golfers. To the extent any maintenance of and improvements to the golf courses suffer due to decreased availability of funds, the City's revenues will also suffer. Additionally, fees for services cannot be higher than the cost to provide the service, or the fee becomes a tax. At some point, the Golf Enterprise Fund would no longer be a revenue-producing undertaking for the purpose of providing the necessary facilities and improvements.

The annual rent calculation is based on the previous year's budgeted revenue. The proposed FY 2006 rent calculation of \$1,557,178 is a reduction from the previous year's rent due to the proposed six month closure of the Torrey Pines



Golf Complex's North Course in FY 2005. This proposed closure reduced the FY 2005 revenue projections for North Course green fees by approximately \$1.7 million from the FY 2004 projection. This decline in revenue subsequently reduced the proposed rent to be paid by the Golf Enterprise Fund in FY 2006.

However, since Torrey Pines Golf Complex's North Course did not close as planned in FY 2005, staff recommends utilizing the FY 2004's actual revenue as the basis for the FY 2006 rent calculation. Utilizing this methodology would increase the annual rent projection by \$64,614 to \$1,621,792.



THE CITY OF

# SAN DIEGO

CITY ADMINISTRATION BUILDING • 202 C STREET • SAN DIEGO, CALIFORNIA 92101

OFFICE OF THE  
CITY MANAGER  
(619) 236-6363

May 18, 1995

Mr. Hal Boston  
Chairman, Golf Advisory Council  
2103 Domingo Glen  
Escondido, CA 92026

Dear Mr. Boston,

The Golf Advisory Council members at the March 2, 1995 meeting expressed concerns regarding not having a set "land use fee" for the Golf Course Enterprise Fund transfer to the City's General Fund. After listening these comments, I requested that staff develop a Golf Operation "land use fee" formula which would create a set fee for the Manager's Proposed Budget to be reviewed every five years. This annual fee would be contingent upon acceptance of the Proposed Budget by the City Council. With a set "use" fee formula in the budget, the Golf Advisory Council could make better decisions with respect to fee increases and projected earnings. The projected retained earnings could be identified for future capital improvement projects at both golf course facilities and future additional golf facilities.

The Financial Management Department staff has established a land use fee formula for the Golf Operations Enterprise Fund. The Land Use Fee has two components which are based on existing City golf course leases. The first component is a fixed annual rate based on a per acre fee of \$1,500. The annual fee for the 380 acres utilized for the golf operations will be \$570,000. The second component is a variable amount established at 9.9% of the last full fiscal year's gross golf and concession revenues. For Proposed Fiscal Year 1996 the figures would reflect the earnings from fiscal year ending June 30, 1994, when golf and concession fees totaled \$4,852,000. At 9.9%, this would represent a fee of \$480,000, rounded to the nearest thousand, thus the projected annual fee for the Golf Operations Enterprise Account based on these two components for Fiscal Year 1996 will be \$1,050,000.

**ATTACHMENT 2**



**DIVERSITY**  
FOR ALL PEOPLE

I hope that this established fee addresses the problems that the GAC members had regarding the budget. If you have any questions concerning the compensation to the General Fund, John Walter and Carol Wood will be available to respond to questions at the June 1, 1995 Golf Advisory Council meeting.

Sincerely,



BRUCE HERRING  
Deputy City Manager

cc: Park and Recreation Director  
Golf Operations Manager

## Other Charges

### Golf Course

Land Rental The annual charge of \$1,050,000 to the Golf Course Fund is based on the following factors:

	<u>Charge</u>	<u>Amount</u>
380 acres at \$1500 per acre.	Annual Fixed Land Use Fee (1)	\$ 570,000
160 Balboa 220 TP	<u>Annual Subsidy Compensation Fee (2)</u>	<u>\$ 480,000</u>
	Total	\$1,050,000

(1) This charge is based on a per acre charge of \$1,500 per acre multiplied by the total acreage for both Torrey Pines and Balboa. The per acre charge is comparable to the per acre charged for Mission Trails Golf Course. This annual rate is an estimate of what the City would receive if both courses were operated under lease arrangements similar to Mission Trails. Since the combined facilities of Torrey Pines and Balboa Park could generate a significantly greater return per acre than Mission Trails if full market rate fees were charged, the rate can be appropriately characterized as a "minimum" annual land use fee.

(2) In addition to the fixed land use fee, the General Fund is also compensated for a portion of the revenues foregone as a result of operating the Torrey Pines and Balboa Park as municipal facilities, with annual green fees equal to approximately one-third of estimated market rates. This subsidy compensation fee would be at a rate of 9.9% of annual golf fees and concessions revenues. For FY 96, the fee amount is estimated at \$480,000.

<u>Revenue Category</u>	<u>Budgeted FY 96 Revenues</u>	<u>Fee Rate*</u>	<u>Amount</u>
Golf Fees	\$4,422,200		
<u>Concessions</u>	<u>\$ 430,000</u>		
Total	\$4,852,200	9.9%	\$480,000





THE CITY OF SAN DIEGO  
**REPORT TO THE CITY COUNCIL**

DATE ISSUED: July 6, 2011 REPORT NO: 11-101

ATTENTION: Natural Resources and Culture Committee  
Agenda of July 13, 2011

SUBJECT: Park and Recreation Department Golf Update

SUMMARY:

THIS IS AN INFORMATION ITEM ONLY. NO ACTION IS REQUIRED ON THE PART OF THE COMMITTEE OR CITY COUNCIL.

BACKGROUND

The purpose of this report is first to provide an overview of the Park and Recreation Department's Golf Division (Division) looking back over the last five years, as well as setting a course for an update to the current Golf Division Business Plan.

The City has operated a municipal golf program since 1932. Today the Division operates three City golf complexes: Balboa Golf Course 18-hole and 9 holes courses; Mission Bay 18-hole executive golf course; and Torrey Pines 18-hole North Course and 18-hole South Course.

The Golf Course Enterprise Fund was established in 1991. An enterprise fund is used to manage and account for operations that are financed and operated in a manner similar to a private sector enterprise where the cost of providing services is recovered primarily through user charges. A primary goal of the Golf Course Enterprise Fund is to ensure that the City operated golf courses are financially self-sufficient and that they do not require financial support from the City's General Fund.

Since 1991 no General Fund support has been required and the Golf Course Enterprise Fund has returned approximately \$29 million in land use fee payments to the General Fund for the use of City property where the golf courses are located. In FY 2011 this annual payment was \$2.4 million. The FY12 payment is anticipated to also be \$2.4 million. Additionally, the Division reimburses the General Fund annually for services provided by various City departments. In FY 2011 this reimbursement to the General Fund was \$1.1 million. The Golf Course Enterprise Fund has maintained these significant payments to the General Fund while striving to

continuously improve the condition of the golf facilities and the overall golf experience for our customers.

The City Council adopted 2006 Golf Operations 5 Year Business Plan (Plan) has provided clear direction for the Division since it was approved and nearly all of the objectives outlined in the 2006 Plan have been accomplished. The success of the Plan can be seen in the feedback from our customers, as well as the continued national recognition our courses receive, as is evident in their use as venues for local, national and international events. Some of the recent examples of this success include:

- A recent comprehensive golfer satisfaction survey showed that 94% of golfers rated the three City of San Diego operated golf courses satisfactory or better.
- Torrey Pines golf courses are ranked annually among the best in the country:
  - May 2011, Golfweek Magazine raters ranked Torrey Pines South Course at number 5 and Torrey Pines North Course at number 17 nationally.
  - In 2011, Golf Digest ranked Torrey Pines South as one of America's top 100 public courses.
  - September 2010, Golf Magazine raters ranked Torrey Pines South as the number four public course in the state of California.
  - In 2009, Zagat's biennial listing of America's top golf courses rated Torrey Pines North and South Courses as extraordinary.
- Successfully hosted significant annual tournaments:
  - The Callaway Junior World Championships
  - San Diego City Amateur Championships
  - Farmers Insurance Open
  - Ladies Professional Golf Association's 2009 Samsung World Championship
- The annual Farmers Insurance Open at the Torrey Pines Golf Course is regularly one of the most watched Professional Golf Association (PGA) tour events.
- Torrey Pines Golf Course was the site of one of the most famous matches in international golf history, the 2008 U.S. Open Championship.
- Torrey Pines Golf Course is featured with Augusta National Golf Course, Pebble Beach Golf Course, and St Andrews Links in Tiger Woods PGA Tour 2012 video game.

While many public golf courses struggle to maintain their financial stability, the Golf Course Enterprise Fund, continues to perform well with annual net operating income exceeding operating expenses. This performance has benefited the General Fund through the annual land use payment, the public through improving course conditions, and the facilities through investment in capital improvements.

All annual net income within the Division is added to and remains in the Golf Course Enterprise Fund balance until used only for City golf related expenditures, primarily golf capital infrastructure improvements. From FY 2007 to FY 2011 approximately \$10.7 million, unaudited, has been spent on capital improvements to the three golf complexes.

## DISCUSSION

### Golf Market Place

Nationally, the golf industry has been in decline in the past decade. Golf rounds nationally declined by 8%<sup>1</sup> from 2000 to 2009 and is projected to increase 15%<sup>2</sup> from 2010 to 2019.

With this decline in the overall market place we have seen a significant increase in competition among the many local courses. Many courses have changed their status from private to semi-private; many others have significantly reduced their greens fee, which has increased the number of courses that directly compete for our customers.

### Golf Course Enterprise Fund Financials

The Golf Course Enterprise Fund anticipated FY 2012 annual budget revenue is approximately \$16 million and the operating expense is approximately \$14.9 million resulting in a budgeted net operating income of \$1.1 million.

The FY 2012 Budget includes \$1.8 million in new Capital Improvement Program (CIP) expenditures and \$9.7 million in CIP continuing appropriations for projects budgeted in previous years and in the process of development.

The projected Golf Enterprise Fund FY 2012 Budget unallocated balance at the end of FY 2012 (June 30, 2012) is estimated at \$8.5 million.

### Accomplishments

During the last five years Golf Division has worked on implementing the policies and initiatives outlined in the Golf Operations 5 Year Business Plan. Key accomplishments include:

- Implementing an advanced reservation system at Torrey Pines Golf Course that improved customer service and eliminated brokers reselling of tee times.
- Increasing general public access at Torrey Pines Golf Course by limiting or eliminating the allocation of tee times to the adjacent hotels, the pro shop operation and the men's and women's golf clubs.
- Compliance with the 70% resident /30% non-resident goal for tee time availability at Torrey Pines. Actual utilization for FY11 is estimated at 69% / 31%.
- Torrey Pines Golf Course hosted significant professional tournaments generating significant revenue to local businesses and Transient Occupancy Tax (TOT) and sales tax revenue to the City of San Diego. In the past five years the following special events were held: five Buick or Farmer's Insurance Open PGA tournaments, the United States Golf Association's 2008 U.S. Open, the Ladies Professional Golf Association's 2009 Samsung World Championship, and five Junior World Championship Golf Tournaments.

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<sup>1</sup> National Golf Foundation, Rounds Played in the U.S., 2011.

<sup>2</sup> National Golf Foundation, Golf Participation in America 2010-2020, 2010, p. 6.



- Increased the overall numbers of volunteers at Torrey Pines and Balboa Golf Courses. Currently, the number of golf course marshal volunteers at Balboa Park Golf Course is 8 and Torrey Pines is 27, not including the hundreds of volunteers that support tournament play.
- Improved maintenance standards and course conditions at each golf complex. These recent changes have been confirmed by the many positive comments that staff receive regularly at each facility, as well as the very positive comments during the live telecast of the recent 2011 Farmers Insurance Open when a commentator indicated the Torrey Pines Golf Courses have never been in better shape.
- Facility upgrades during the previous business plan (FY 2007 to FY 2011):
  - Balboa Park Golf Course
    - Replaced clubhouse roof
    - Replaced deteriorated course steps and handrails
    - Painted the clubhouse
    - Renovated planters at entry
    - Parking lot repairs/repaving
  - Mission Bay Golf Course
    - Renovated practice area bunker and putting green
    - Reconstruction of tee areas at holes number three and four
    - Improved landscape planting surrounding the putting green and main pond
    - Updated landscaping at the parking lot entry
  - Torrey Pines Golf Course
    - Renovated the South and North courses
    - Parking lot renovation
    - Improvements to the South Course food and beverage half-way house facility
    - Electrical system upgrade
    - Clubhouse roof replacement
    - Major renovation of clubhouse restrooms
    - Replaced tee furnishings

### Customer Satisfaction Survey

A customer satisfaction survey was recently completed to profile golfers' experiences and satisfaction when playing at the City's three golf complexes. The survey results will assist the staff in providing key data as the new Plan is updated. It is anticipated the survey will be adopted into an annual survey to track progress on meeting key customer service needs.

The survey, which included both resident and non-resident golfers, found that 88% to 95% of golfers were satisfied with their overall golfing experiences while playing on city-operated courses. The combined weighted average for all three courses is 94%.

Golf Course Satisfaction	Excellent	Good	Fair	Poor	Very Poor	Not Sure	Satisfaction (Excellent, Good or Fair)
Balboa Park	16%	58%	21%	4%	3%	0%	95%
Mission Bay	11%	48%	29%	10%	3%	1%	88%
Torrey Pines	49%	39%	7%	4%	1%	0%	95%

The survey was conducted by an independent consulting firm (True North Research) that specializes in customer satisfaction studies. Of the 9,468 golfers that were asked to participate in the survey (either online or by telephone), 1,306 completed the survey. The survey has a statistical margin of error due to sampling of +/- 2.68% at the 95% level of confidence.

### Capital Program Priorities

As identified in the current business plan, there are many capital improvement projects needed within the Golf Division. Over the last several years, the enterprise fund has generated revenues that are available for capital improvements within the Division and several significant projects are being initiated currently. As we plan for the future of the Division, a successful capital program is key to our long-term success, ensuring that each golf complex remains competitive and current with the local market. Some of the priority projects include:

- Balboa Park Golf Course:
  - Complete the installation of the new irrigation system - scheduled for completion Fall 2011
  - Complete a historical restoration of the existing clubhouse and add additional building structures
  - Design and install a drainage solution across 1,2, 3, and 4 fairways
  
- Mission Bay Golf Course:
  - Replace course infrastructure (irrigation, drainage and electrical system)
  - Demolish existing clubhouse and replace with a modular structure
  - Develop a new master plan for driving range, practice area, clubhouse and maintenance facility.
  
- Torrey Pines Golf Course:
  - Install new North Course carts paths
  - Construct new North Course women's tees
  - Reconstruct North Course fairway and greenside bunkers
  - Upgrade maintenance facilities

Park and Recreation Board Golf Business Plan Ad-Hoc Advisory Committee

As part of the process in developing a new business plan, staff will work closely with an ad-hoc advisory committee made of representatives appointed by the Park and Recreation Board (Board), as well as a selection of diverse golf stakeholders. It is anticipated that the committee will meet on a regular basis throughout a 6 to 9 month period needed to complete the update process. Staff is currently working with the Board Chair to identify potential members for the committee.

CONCLUSION

Based upon City Council adopted Golf Operations 5 Year Business Plan, the Park and Recreation Department's Golf Division staff has been able to operate the three municipal golf complexes with success over the last five years. However, during this same period, many local golf courses and the golf industry as a whole have struggled due to a reduction in rounds being played and the poor overall economic times. These conditions create several challenges for the Division in the near and long term which will be addressed as staff and the community work together to develop the new Golf Division Business Plan.



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Mark Marney, Deputy Director,  
Golf Division  
Park and Recreation Department



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Scott Reese, Assistant Director  
Park and Recreation Department